



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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P.O. Box 13528 • Austin, TX 78711-3528

August 6, 2020

Ryder Appleton  
Superintendent  
Veribest Independent School District  
P.O. Box 490  
Veribest, Texas 76886

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Veribest Independent School District and RE Bravepost LLC, Application 1477

Dear Superintendent Appleton:

On July 16, 2020, the Comptroller issued written notice that RE Bravepost LLC (applicant) submitted a completed application (Application 1477) for a limitation on appraised value under the provisions of Tax Code Chapter 313.<sup>1</sup> This application was originally submitted on February 20, 2020, to the Veribest Independent School District (school district) by the applicant.

This presents the results of the Comptroller's review of the application and determinations required:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter B; and
- 2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the Comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

**Determination required by 313.025(h)**

Sec. 313.024(a)      Applicant is subject to tax imposed by Chapter 171.  
Sec. 313.024(b)      Applicant is proposing to use the property for an eligible project.

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<sup>1</sup> All Statutory references are to the Texas Tax Code, unless otherwise noted.

Sec. 313.024(d) Applicant has requested a waiver to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.

Sec. 313.024(d-2) Not applicable to Application 1477.

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter B.

**Certificate decision required by 313.025(d)**

Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district's maintenance and operations *ad valorem tax* revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period, see Attachment B.

Determination required by 313.026(c)(2)

The Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state, see Attachment C.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).

The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement by December 31, 2020.

Note that any building or improvement existing as of the application review start date of July 16, 2020, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

Should you have any questions, please contact Will Counihan, Director, Data Analysis & Transparency, by email at [will.counihan@cpa.texas.gov](mailto:will.counihan@cpa.texas.gov) or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,

DocuSigned by:  
  
11EA6DEF0EC441E...

Lisa Craven  
Deputy Comptroller

Enclosure

cc: Will Counihan

## Attachment A - Economic Impact Analysis

The following tables summarize the Comptroller's economic impact analysis of RE Bravepost LLC (project) applying to Veribest Independent School District (district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

**Table 1** is a summary of investment, employment and tax impact of RE Bravepost LLC.

Applicant	RE Bravepost LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy - Solar
School District	Veribest ISD
2018-2019 Average Daily Attendance	262
County	Tom Green
Proposed Total Investment in District	\$180,000,000
Proposed Qualified Investment	\$80,000,000
Limitation Amount	\$40,000,000
Qualifying Time Period (Full Years)	2021-2022
Number of new qualifying jobs committed to by applicant	2*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$928.10
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$928.10
Minimum annual wage committed to by applicant for qualified jobs	\$48,261.40
Minimum weekly wage required for non-qualifying jobs	\$867.50
Minimum annual wage required for non-qualifying jobs	\$45,110
Investment per Qualifying Job	\$90,000,000
Estimated M&O levy without any limit (15 years)	\$11,197,532
Estimated M&O levy with Limitation (15 years)	\$6,739,862
Estimated gross M&O tax benefit (15 years)	\$4,457,670

\* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).

**Table 2** is the estimated statewide economic impact of RE Bravepost LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2020	400	495	895	\$19,304,560	\$44,695,440	\$64,000,000
2021	400	516	916	\$19,304,560	\$52,695,440	\$72,000,000
2022	2	57	59	\$96,523	\$12,903,477	\$13,000,000
2023	2	16	18	\$96,523	\$6,903,477	\$7,000,000
2024	2	(20)	-18	\$96,523	\$2,903,477	\$3,000,000
2025	2	(35)	-33	\$96,523	\$903,477	\$1,000,000
2026	2	(37)	-35	\$96,523	-\$1,096,523	-\$1,000,000
2027	2	(32)	-30	\$96,523	-\$1,096,523	-\$1,000,000
2028	2	(24)	-22	\$96,523	-\$1,096,523	-\$1,000,000
2029	2	(15)	-13	\$96,523	-\$96,523	\$0
2030	2	(7)	-5	\$96,523	-\$96,523	\$0
2031	2	0	2	\$96,523	\$903,477	\$1,000,000
2032	2	5	7	\$96,523	\$1,903,477	\$2,000,000
2033	2	9	11	\$96,523	\$1,903,477	\$2,000,000
2034	2	11	13	\$96,523	\$1,903,477	\$2,000,000

Source: CPA REMI, RE Bravepost LLC

**Table 3** examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Veribest ISD I&S Tax Levy	Veribest ISD M&O Tax Levy	Veribest M&O and I&S Tax Levies	Tom Green County Tax Levy	City of San Angelo Tax Levy	Lipan Kickapoo Water District Tax Levy	Estimated Total Property Taxes
			<b>0.1200</b>	<b>0.1200</b>	<b>1.0684</b>		<b>0.5450</b>	<b>0.7760</b>	<b>0.0103</b>	
2021	\$50,000,000	\$50,000,000		\$60,000	\$534,200	\$594,200	\$272,500	\$388,000	\$5,150	\$1,259,850
2022	\$130,000,000	\$130,000,000		\$156,000	\$1,388,920	\$1,544,920	\$708,500	\$1,008,800	\$13,390	\$3,275,610
2023	\$120,272,500	\$120,272,500		\$144,327	\$1,284,991	\$1,429,318	\$655,485	\$933,315	\$12,388	\$3,030,506
2024	\$102,275,275	\$102,275,275		\$122,730	\$1,092,709	\$1,215,439	\$557,400	\$793,656	\$10,534	\$2,577,030
2025	\$93,276,663	\$93,276,663		\$111,932	\$996,568	\$1,108,500	\$508,358	\$723,827	\$9,607	\$2,350,292
2026	\$84,278,050	\$84,278,050		\$101,134	\$900,427	\$1,001,560	\$459,315	\$653,998	\$8,681	\$2,123,554
2027	\$75,279,438	\$75,279,438		\$90,335	\$804,286	\$894,621	\$410,273	\$584,168	\$7,754	\$1,896,816
2028	\$66,280,825	\$66,280,825		\$79,537	\$708,144	\$787,681	\$361,230	\$514,339	\$6,827	\$1,670,078
2029	\$57,282,213	\$57,282,213		\$68,739	\$612,003	\$680,742	\$312,188	\$444,510	\$5,900	\$1,443,340
2030	\$48,283,600	\$48,283,600		\$57,940	\$515,862	\$573,802	\$263,146	\$374,681	\$4,973	\$1,216,602
2031	\$39,284,988	\$39,284,988		\$47,142	\$419,721	\$466,863	\$214,103	\$304,852	\$4,046	\$989,864
2032	\$36,339,500	\$36,339,500		\$43,607	\$388,251	\$431,859	\$198,050	\$281,995	\$3,743	\$915,646
2033	\$36,324,950	\$36,324,950		\$43,590	\$388,096	\$431,686	\$197,971	\$281,882	\$3,741	\$915,280
2034	\$36,310,400	\$36,310,400		\$43,572	\$387,940	\$431,513	\$197,892	\$281,769	\$3,740	\$914,913
2035	\$36,295,850	\$36,295,850		\$43,555	\$387,785	\$431,340	\$197,812	\$281,656	\$3,738	\$914,547
2036	\$36,281,300	\$36,281,300		\$43,538	\$387,629	\$431,167	\$197,733	\$281,543	\$3,737	\$914,180
			<b>Total</b>	<b>\$1,257,679</b>	<b>\$11,197,532</b>	<b>\$12,455,211</b>	<b>\$5,711,957</b>	<b>\$8,132,989</b>	<b>\$107,951</b>	<b>\$26,408,108</b>

Source: CPA, RE Bravepost LLC

\*Tax Rate per \$100 Valuation

**Table 4** examines the estimated direct impact on ad valorem taxes to the school district and Tom Green County, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Veribest ISD I&S Tax Levy	Veribest ISD M&O Tax Levy	Veribest M&O and I&S Tax Levies	Tom Green County Tax Levy	City of San Angelo Tax Levy	Lipan Kickapoo Water District Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.1200	1.0684		0.5450	0.7760	0.0103	
2021	\$50,000,000	\$50,000,000		\$60,000	\$534,200	\$594,200	\$272,500	\$388,000	\$5,150	\$1,254,700
2022	\$130,000,000	\$40,000,000		\$156,000	\$427,360	\$583,360	\$708,500	\$1,008,800	\$13,390	\$2,300,660
2023	\$120,272,500	\$40,000,000		\$144,327	\$427,360	\$571,687	\$655,485	\$933,315	\$12,388	\$2,160,487
2024	\$102,275,275	\$40,000,000		\$122,730	\$427,360	\$550,090	\$557,400	\$793,656	\$10,534	\$1,901,147
2025	\$93,276,663	\$40,000,000		\$111,932	\$427,360	\$539,292	\$508,358	\$723,827	\$9,607	\$1,771,477
2026	\$84,278,050	\$40,000,000		\$101,134	\$427,360	\$528,494	\$459,315	\$653,998	\$8,681	\$1,641,807
2027	\$75,279,438	\$40,000,000		\$90,335	\$427,360	\$517,695	\$410,273	\$584,168	\$7,754	\$1,512,137
2028	\$66,280,825	\$40,000,000		\$79,537	\$427,360	\$506,897	\$361,230	\$514,339	\$6,827	\$1,382,467
2029	\$57,282,213	\$40,000,000		\$68,739	\$427,360	\$496,099	\$312,188	\$444,510	\$5,900	\$1,252,797
2030	\$48,283,600	\$40,000,000		\$57,940	\$427,360	\$485,300	\$263,146	\$374,681	\$4,973	\$1,123,127
2031	\$39,284,988	\$39,284,988		\$47,142	\$419,721	\$466,863	\$214,103	\$304,852	\$4,046	\$985,817
2032	\$36,339,500	\$36,339,500		\$43,607	\$388,251	\$431,859	\$198,050	\$281,995	\$3,743	\$911,903
2033	\$36,324,950	\$36,324,950		\$43,590	\$388,096	\$431,686	\$197,971	\$281,882	\$3,741	\$911,538
2034	\$36,310,400	\$36,310,400		\$43,572	\$387,940	\$431,513	\$197,892	\$281,769	\$3,740	\$911,173
2035	\$36,295,850	\$36,295,850		\$43,555	\$387,785	\$431,340	\$197,812	\$281,656	\$3,738	\$910,808
2036	\$36,281,300	\$36,281,300		\$43,538	\$387,629	\$431,167	\$197,733	\$281,543	\$3,737	\$910,443
			<b>Total</b>	<b>\$1,257,679</b>	<b>\$6,739,862</b>	<b>\$7,997,541</b>	<b>\$5,711,957</b>	<b>\$8,132,989</b>	<b>\$107,951</b>	<b>\$21,842,487</b>
			<b>Diff</b>	<b>\$0</b>	<b>\$4,457,670</b>	<b>\$4,457,670</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,565,621</b>

Source: CPA, RE Bravepost LLC

\*Tax Rate per \$100 Valuation

**Disclaimer:** This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

## Attachment B – Tax Revenue before 25<sup>th</sup> Anniversary of Limitation Start

This represents the Comptroller’s determination that RE Bravepost LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
<b>Limitation Pre-Years</b>	2019	\$0	\$0	\$0	\$0
	2020	\$0	\$0	\$0	\$0
	2021	\$534,200	\$534,200	\$0	\$0
<b>Limitation Period (10 Years)</b>	2022	\$427,360	\$961,560	\$961,560	\$961,560
	2023	\$427,360	\$1,388,920	\$857,631	\$1,819,191
	2024	\$427,360	\$1,816,280	\$665,349	\$2,484,540
	2025	\$427,360	\$2,243,640	\$569,208	\$3,053,748
	2026	\$427,360	\$2,671,000	\$473,067	\$3,526,815
	2027	\$427,360	\$3,098,360	\$376,926	\$3,903,740
	2028	\$427,360	\$3,525,720	\$280,784	\$4,184,525
	2029	\$427,360	\$3,953,080	\$184,643	\$4,369,168
	2030	\$427,360	\$4,380,440	\$88,502	\$4,457,670
	2031	\$419,721	\$4,800,161	\$0	\$4,457,670
<b>Maintain Viable Presence (5 Years)</b>	2032	\$388,251	\$5,188,412	\$0	\$4,457,670
	2033	\$388,096	\$5,576,508	\$0	\$4,457,670
	2034	\$387,940	\$5,964,448	\$0	\$4,457,670
	2035	\$387,785	\$6,352,233	\$0	\$4,457,670
	2036	\$387,629	\$6,739,862	\$0	\$4,457,670
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2037	\$387,474	\$7,127,336	\$0	\$4,457,670
	2038	\$387,319	\$7,514,655	\$0	\$4,457,670
	2039	\$387,163	\$7,901,818	\$0	\$4,457,670
	2040	\$387,008	\$8,288,825	\$0	\$4,457,670
	2041	\$386,852	\$8,675,678	\$0	\$4,457,670
	2042	\$386,697	\$9,062,374	\$0	\$4,457,670
	2043	\$386,541	\$9,448,916	\$0	\$4,457,670
	2044	\$386,386	\$9,835,301	\$0	\$4,457,670
	2045	\$386,230	\$10,221,532	\$0	\$4,457,670
	2046	\$386,075	\$10,607,607	\$0	\$4,457,670
		<b>\$10,607,607</b>	is greater than	<b>\$4,457,670</b>	
<b>Analysis Summary</b>					
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?					Yes

NOTE: The analysis above only takes into account this project’s estimated impact on the M&O portion of the school district property tax levy directly related to this project.

Source: CPA, RE Bravepost LLC

**Disclaimer:** This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

## Attachment C – Limitation as a Determining Factor

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines that “the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state.” This represents the basis for the Comptroller’s determination.

### Methodology

Texas Administrative Code 9.1055(d) states the Comptroller shall review any information available to the Comptroller including:

- the application, including the responses to the questions in Section 8 (Limitation as a Determining Factor);
- public documents or statements by the applicant concerning business operations or site location issues or in which the applicant is a subject;
- statements by officials of the applicant, public documents or statements by governmental or industry officials concerning business operations or site location issues;
- existing investment and operations at or near the site or in the state that may impact the proposed project;
- announced real estate transactions, utility records, permit requests, industry publications or other sources that may provide information helpful in making the determination; and
- market information, raw materials or other production inputs, availability, existing facility locations, committed incentives, infrastructure issues, utility issues, location of buyers, nature of market, supply chains, other known sites under consideration.

### Determination

The Comptroller **has determined** that the limitation on appraised value is a determining factor in the RE Bravepost LLC’s decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Per RE Bravepost LLC in Tab 5 of their Application for a Limitation on Appraised Value:
  - A. “An appraised value limitation on qualified property allows developers to significantly diminish the property tax liability that composes a substantial ongoing cost of operation that directly impacts the economic rate of return for the project. In the absence of an appraised value limitation, the development of renewable energy facilities becomes financially uncertain as the rate of return often fails to meet the minimum return required to proceed.”
  - B. “Recurrent Energy’s ability to locate RE Bravepost LLC in a variety of locations is based on their footprint throughout the United States, with facilities located in California, Arizona, Colorado, Oklahoma, Arkansas, Louisiana, Mississippi, Ohio, Virginia, North Carolina, Georgia, and Texas. In the event a 313 value limitation agreement is not reached, Recurrent Energy undoubtedly has the potential to relocate the facility to areas in the aforementioned locations.”
  - C. “Recurrent Energy compares the proposed project’s rate of return with the Chapter 313 appraised value limitation agreement and without the value limitation agreement. To move forward, the rate of return must exceed the minimum rate of return required to proceed with the proposed investment. Therefore, if receiving a value limitation agreement under Chapter 313 results in significant annual operating cost savings Recurrent Energy will be incentivized to invest capital in the proposed project rather than making an alternative investment. This makes the ability to enter into a Chapter 313 appraised value limitation agreement with the school district “the determining factor” to invest in this project.”

**Supporting Information**

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value

**Disclaimer:** This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

# **Supporting Information**

Section 8 of the Application for  
a Limitation on Appraised Value

**SECTION 6: Eligibility Under Tax Code Chapter 313.024**

1. Are you an entity subject to the tax under Tax Code, Chapter 171?  Yes  No
2. The property will be used for one of the following activities:
  - (1) manufacturing  Yes  No
  - (2) research and development  Yes  No
  - (3) a clean coal project, as defined by Section 5.001, Water Code  Yes  No
  - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code  Yes  No
  - (5) renewable energy electric generation  Yes  No
  - (6) electric power generation using integrated gasification combined cycle technology  Yes  No
  - (7) nuclear electric power generation  Yes  No
  - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7)  Yes  No
  - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051  Yes  No
3. Are you requesting that any of the land be classified as qualified investment?  Yes  No
4. Will any of the proposed qualified investment be leased under a capitalized lease?  Yes  No
5. Will any of the proposed qualified investment be leased under an operating lease?  Yes  No
6. Are you including property that is owned by a person other than the applicant?  Yes  No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment?  Yes  No

**SECTION 7: Project Description**

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:
 

<input type="checkbox"/> Land has no existing improvements	<input checked="" type="checkbox"/> Land has existing improvements (complete Section 13)
<input type="checkbox"/> Expansion of existing operation on the land (complete Section 13)	<input type="checkbox"/> Relocation within Texas

**SECTION 8: Limitation as Determining Factor**

1. Does the applicant currently own the land on which the proposed project will occur?  Yes  No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?  Yes  No
3. Does the applicant have current business activities at the location where the proposed project will occur?  Yes  No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location?  Yes  No
5. Has the applicant received any local or state permits for activities on the proposed project site?  Yes  No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site?  Yes  No
7. Is the applicant evaluating other locations not in Texas for the proposed project?  Yes  No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities?  Yes  No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project?  Yes  No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas?  Yes  No

**Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.**

# **Supporting Information**

Attachments provided in Tab 5  
of the Application for a  
Limitation on Appraised Value



## Tab 5

### *Limitation as a Determining Factor*

Throughout the United States the production of renewable energy has been increasing as the cost of these systems has decreased and technological advancements have improved efficiency. In 2019, Texas ranked 4th in installed solar capacity. The state's geographic position and containment of several large population centers has made Texas a favorable location for renewable energy development.

Renewable energy developers face many challenges in the determination of project location—one of these factors being the selection of an area where the greatest return on investment can be achieved. There are several factors that contribute to Texas favorability for development, one however that does not is the state's notoriously high property tax burden—ranking in the top 10 across the United States.

An appraised value limitation on qualified property allows developers to significantly diminish the property tax liability that composes a substantial ongoing cost of operation that directly impacts the economic rate of return for the project. In the absence of an appraised value limitation, the development of renewable energy facilities becomes financially uncertain as the rate of return often fails to meet the minimum return required to proceed.

Recurrent Energy's ability to locate RE Bravepost LLC in a variety of locations is based on their footprint throughout the United States, with facilities located in California, Arizona, Colorado, Oklahoma, Arkansas, Louisiana, Mississippi, Ohio, Virginia, North Carolina, Georgia, and Texas. In the event a 313 value limitation agreement is not reached, Recurrent Energy undoubtedly has the potential to relocate the facility to areas in the aforementioned locations.

Recurrent Energy compares the proposed project's rate of return with the Chapter 313 appraised value limitation agreement and without the value limitation agreement. To move forward, the rate of return must exceed the minimum rate of return required to proceed with the proposed investment. Therefore, if receiving a value limitation agreement under Chapter 313 results in significant annual operating cost savings Recurrent Energy will be incentivized to invest capital in the proposed project rather than making an alternative investment. This makes the ability to enter into a Chapter 313 appraised value limitation agreement with the school district "the determining factor" to invest in this project